G. R. No. 6488/33, dated 28th July 1947.

Indian and British Income-tax :
Compensation and resettlement grant—
Liability to —.

Letter from the Government of India, Home Department, No. 45/14/47-Ests., dated 12th July 1947 :—

"I am directed to say that the Government of India have had under their consideration the question whether the compensation or resettlement grant payable in accordance with His Excellency the Governor General's announcement, dated the 30th April 1947, is liable to Indian or British Income-tax.

"2. It has now been held that since the compensation or resettlement grant in question is to be paid 'solely as compensation for loss of employment and not by way of remuneration for past service' within the meaning of explanation 2 to section 7(*1*) of the Indian Income-tax Act, 1922, it is not liable to Indian Income-tax.

"3. The Board of Inland Revenue, United Kingdom, have now stated that the compensation granted to members of the Indian Services on premature termination of their services in India will not be liable to United Kingdom Income-tax.

"4. I am to request that the officers concerned may be informed accordingly."

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the officers and Departments concerned for information and guidance.

G. R. No. 251/33, dated 9th February 1948.

Persons leaving for Pakistan :
Assessment under section 24-A of Income-tax Act : Certificate for payment of taxes : Production of —

In continuation of the orders issued in Government Resolution No. 251/33, dated 21st August 1945, copies of letter from the Government of India should be forwarded to all Treasury Officers and Heads of Offices for information and guidance. The Heads of Offices should be requested to communicate the orders to all disbursing officers under them. The latter should be requested to report to the nearest Income-tax Officer the probable amount payable by him to any person intending to migrate to Pakistan and to defer payment of the amount due till the party concerned produced a certificate from the Income-tax Officer to the effect that all income-tax dues have been paid.